

Other Information







MILL LEVY FACTS

Calculating the City mill levy requirement. A mill is \$1 of tax for every \$1,000 of assessed value on real and personal property. The mill levy is recalculated every year and is based on the tax dollars needed for financing the City budget.

First, the City (the taxing district) arrives at a total amount for expenditures in the taxing funds. In Wichita these funds are the General Fund and the Debt Service Fund. After expenditure totals are known, all other revenue sources (non-property taxes and fees) are subtracted. The remainder is the amount to be raised from ad valorem (property) taxes.

The tax levy rate is calculated by dividing the total revenue to be obtained from property taxes by the total assessed value for the taxing district. The table below shows the 2004 tax year rates, which are used to finance the 2005 budget.

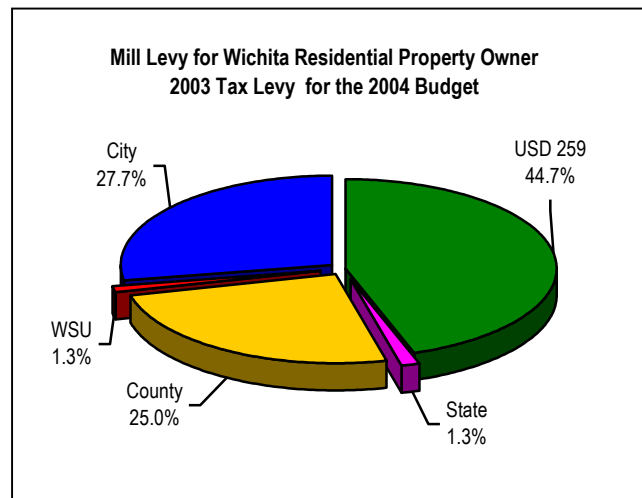
Tax Rates (Based on 2004 Values) for the 2005 Budget Year		
Assessed valuation (\$)	2,539,714,000	
	<u>Tax \$ to be Levied</u> (Including Delinquencies)	<u>Mill Levy</u>
General Fund	54,909,210	21.905
Debt Service Fund	25,066,980	10.000
Total	79,976,190	31.905

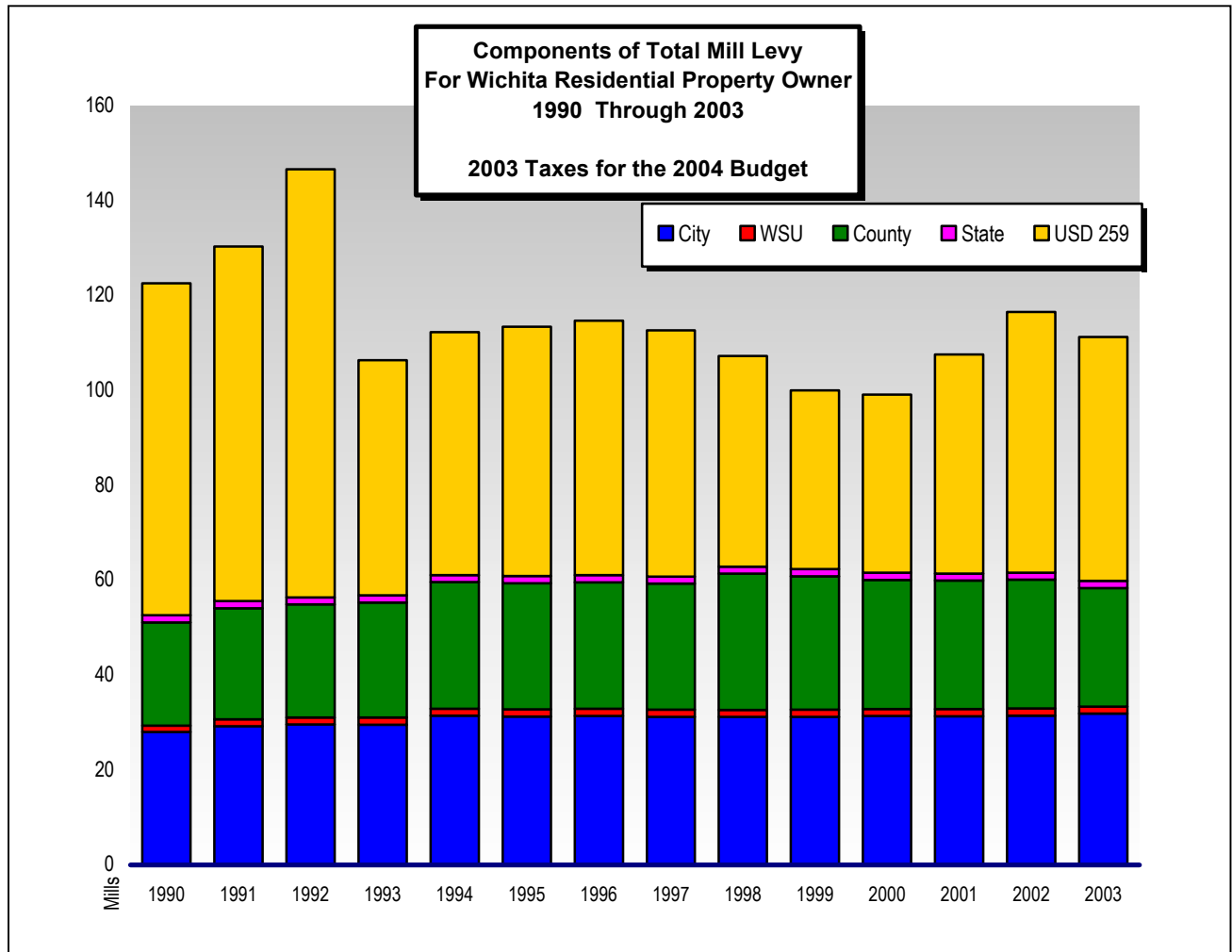
A City residential property owner will pay taxes to support the City budget, based on the market value of the owner's property, times the assessment ratio (11.5% for residential property), times the tax levy rate (mills divided by 1,000), as illustrated in the three examples to the right. Rates for other properties are: commercial, 25%; real used by nonprofits, 12%; public utility, 33%; vacant lots, 12%; agricultural use, 30%; all others, 30%.

Market Value	X	Assessment Ratio	X	City Tax Levy Rate	=	Estimated City Taxes Due
\$50,000	X	11.5%	X	0.031905	=	\$183
\$75,000	X	11.5%	X	0.031905	=	\$275
\$100,000	X	11.5%	X	0.031905	=	\$367

The assessed value is the market value times the classification rate. For example, the assessed value of a \$50,000 home (for purposes of taxation) is \$50,000 times 11.5%, or \$5,750.

Taxing District	Tax Levy Rate	Percent of Total
City of Wichita	31.905	27.7%
Sedgwick County	28.817	25.0%
WSU	1.500	1.3%
U.S.D 259	51.408	44.7%
State	1.500	1.3%
Total	115.122	100.0%



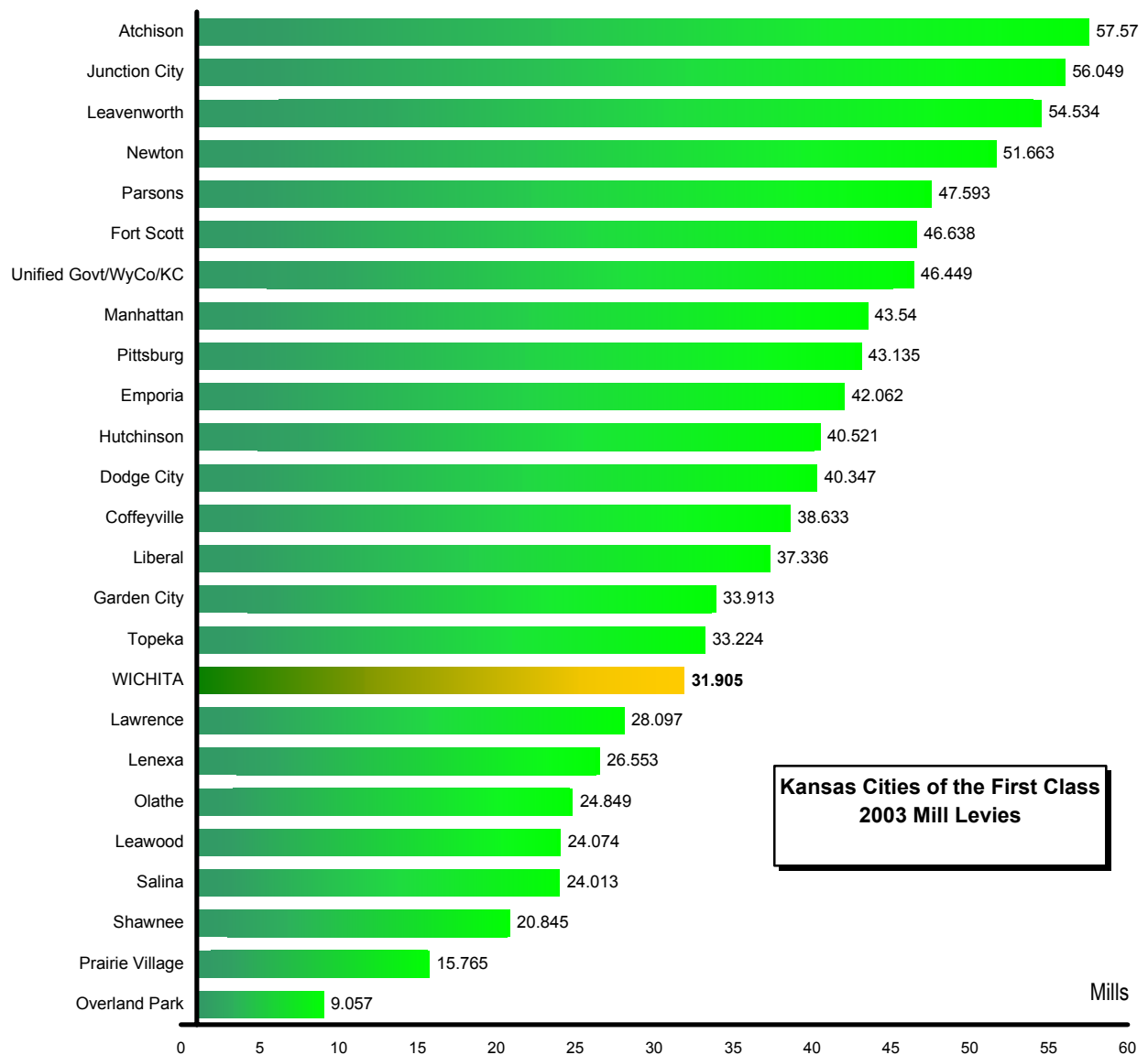


Components of the Total Mill Levy For Wichita Residential Property Owner 1990 Through 2003 2003 Taxes for the 2004 Budget						
Budget Year	City	County	WSU	State	USD 259	Total
1990	28.015	21.715	1.396	1.500	69.975	122.601
1991	29.268	23.423	1.452	1.500	74.712	130.355
1992	29.607	23.831	1.499	1.500	90.203	146.640
1993	29.594	24.235	1.501	1.500	49.590	106.420
1994	31.472	26.666	1.500	1.500	51.143	112.281
1995	31.290	26.622	1.500	1.500	52.508	113.420
1996	31.443	26.660	1.500	1.500	53.609	114.712
1997	31.247	26.561	1.500	1.500	51.874	112.682
1998	31.225	28.717	1.479	1.500	44.383	107.304
1999	31.253	28.138	1.500	1.500	39.636	100.027
2000	31.406	27.199	1.500	1.500	37.526	99.131
2001	31.359	27.057	1.543	1.500	46.163	107.622
2002	31.474	27.154	1.500	1.500	54.926	116.554
2003	31.905	28.817	1.500	1.500	51.408	115.122

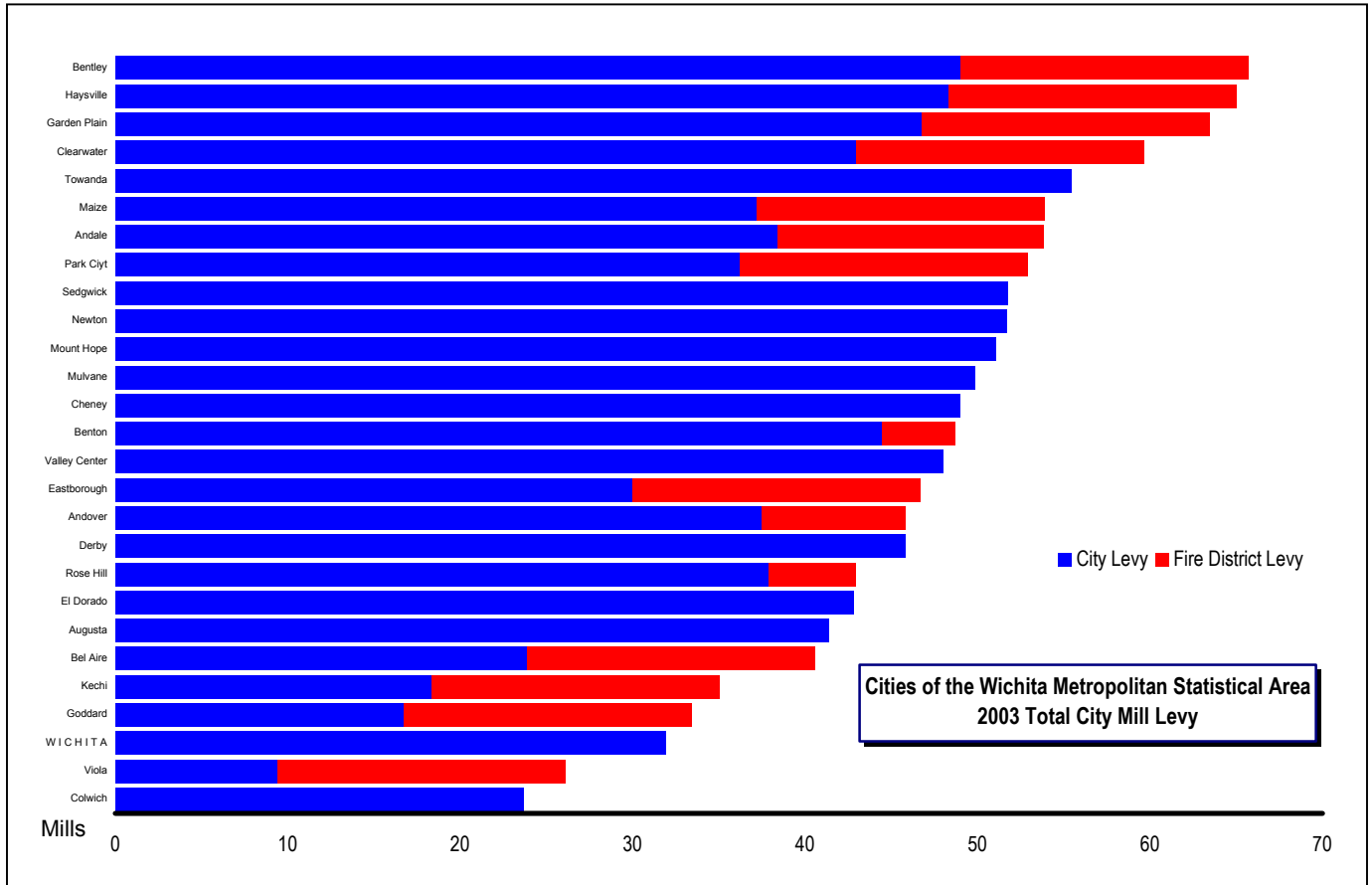
* Tax levies based provided by the Sedgwick County Clerk.



Wichita has a lower mill levy than sixteen of the twenty-four Kansas cities of the first class. The eight cities with a lower mill levy than that of Wichita all impose a local city sales tax in addition to the local county sales tax.



Source: *Kansas Tax Rate & Fiscal Data Book*, League of Kansas Municipalities, March 2004.

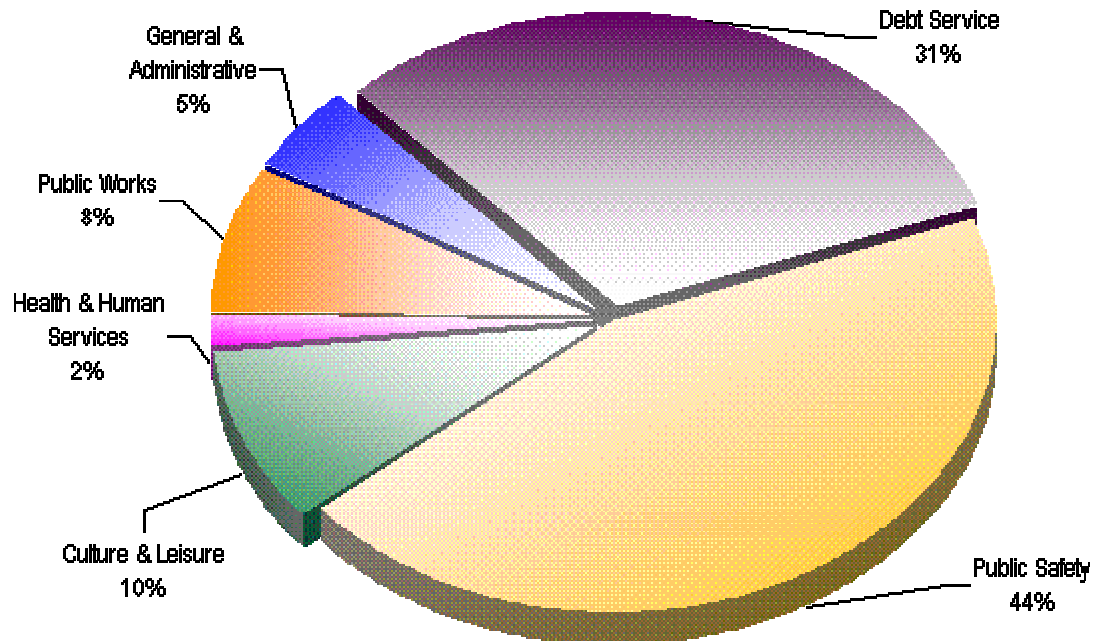


Selected Cities of the Wichita Metropolitan Statistical Area				
2003 Population and Mill Levies				
City	Population	City Levy	Fire District Levy	Total Levy
Bentley	392	48.983	16.695	65.678
Haysville	9,379	48.31	16.695	65.005
Garden Plain	809	46.781	16.695	63.476
Clearwater	2,203	42.954	16.695	59.649
Towanda	1,339	55.4	-	55.4
Maize	1,973	37.172	16.695	53.867
Andale	789	38.392	16.695	53.818
Park City	6,405	36.193	16.695	52.888
Sedgwick	1,626	51.729	-	51.729
Newton	17,913	51.663	-	51.663
Mount Hope	839	51.052	-	51.052
Mulvane	5,488	49.811	-	49.811
Cheney	1,843	48.945	-	48.945
Benton	817	44.477	4.231	48.708
Valley Center	5,008	47.969	-	47.969
Eastborough	820	30.007	16.695	46.702
Andover	7,750	37.518	8.314	45.832
Derby	18,908	45.79	-	45.79
Rose Hill	3,634	37.901	5.006	42.907
El Dorado	12,669	42.779	-	42.779
Augusta	8,493	41.39	-	41.39
Bel Aire	5,515	23.861	16.695	40.556
Kechi	1,143	18.353	16.695	35.048
Goddard	2,640	16.724	16.695	33.419
WICHITA	355,126	31.905	-	31.905
Viola	225	9.428	16.695	26.123
Colwich	1,271	23.692	-	23.692



BUDGET FACTS

Total City Tax Support by Function



2005 Funding Sources for General Fund Budgets, presented by function

Funding Source	Public Safety	Public Works/ Transportation	Culture and Recreation	Health and Human Services	Administration and General	Total
Current property taxes:						
Dollars (1000's)	\$ 33,760,617	\$ 6,087,190	\$ 7,544,597	\$ 1,295,988	\$ 3,606,098	\$ 52,294,490
Percent of budget	37%	17%	31%	32%	31%	31%
Other general funding:						
Dollars (1000's)	49,363,750	8,276,007	10,257,461	1,762,002	3,906,929	\$ 73,566,150
Percent of budget	54%	23%	43%	43%	33%	44%
Department-generated:						
Dollars (1000's)	8,835,400	22,385,230	6,263,320	1,044,270	456,590	\$ 38,984,810
Percent of budget	10%	61%	26%	25%	4%	23%
Administrative charges:						
Dollars (1000's)	0	0	0	0	3,806,420	\$ 3,806,420
Percent of budget	0%	0%	0%	0%	32%	2%
Total funding	\$ 91,959,766	\$ 36,748,427	\$ 24,065,378	\$ 4,102,261	\$ 11,776,038	\$ 168,651,870



The property tax subsidy is the amount left after all other revenue sources are allocated and subtracted. Other revenues include those directly generated by the department, administrative services provided to non-General Fund departments, and general sources (for example, franchise fees and local sales tax).

	2005 ADOPTED BUDGET		Tax support	Tax support	Tax support
	Property	Total	by owner	by owner	by owner
By Department	Tax	Property Tax	of home	of home	of home
	Subsidy	Levied (\$)*	valued at	valued at	valued at
			\$50,000	\$75,000	\$100,000
Police	20,890,080	22,223,500	\$50.31	\$75.47	\$100.63
Fire	11,621,000	12,362,760	\$27.99	\$41.98	\$55.98
Public Works & Flood Control	4,625,030	4,920,250	\$11.14	\$16.71	\$22.28
Park	4,465,910	4,750,960	\$10.76	\$16.13	\$21.51
Library	2,536,660	2,698,580	\$6.11	\$9.16	\$12.22
Transit	1,462,160	1,555,490	\$3.52	\$5.28	\$7.04
City-County Health & Animal Control	1,295,990	1,378,710	\$3.12	\$4.68	\$6.24
Nondepartmental	1,053,870	1,121,140	\$2.54	\$3.81	\$5.08
Finance	1,015,990	1,080,840	\$2.45	\$3.67	\$4.89
Municipal Court	873,550	929,310	\$2.10	\$3.16	\$4.21
General Government	858,880	913,700	\$2.07	\$3.10	\$4.14
Art Museum	542,030	576,630	\$1.31	\$1.96	\$2.61
Law	375,960	399,960	\$0.91	\$1.36	\$1.81
Planning	272,420	289,810	\$0.66	\$0.98	\$1.31
City Council	252,280	268,380	\$0.61	\$0.91	\$1.22
City Manager	152,660	162,400	\$0.37	\$0.55	\$0.74
General Fund	\$52,294,470	\$55,632,420	\$125.95	\$188.93	\$251.91
Debt Service Fund	\$23,873,310	\$25,397,140	\$57.50	\$86.25	\$115.00
TOTAL CITY TAX BILL	\$76,167,780	\$81,029,560	\$183.45	\$275.18	\$366.91
By Function					
Public Safety	33,760,620	35,915,550	\$81.31	\$121.97	\$162.63
Public Works/Transportation	6,087,190	6,475,730	\$14.66	\$21.99	\$29.32
Culture and Recreation	7,544,600	8,026,170	\$18.17	\$27.26	\$36.34
Health and Human Services	1,295,990	1,378,710	\$3.12	\$4.68	\$6.24
Administration and General	3,606,100	3,836,280	\$8.69	\$13.03	\$17.37
General Fund	\$52,294,500	\$55,632,440	\$125.95	\$188.93	\$251.91
Debt Service Fund	\$23,873,310	\$25,397,140	\$57.50	\$86.25	\$115.00
TOTAL CITY TAX BILL	\$76,167,810	\$81,029,580	\$183.45	\$275.18	\$366.91

* The total levy includes a delinquency allowance of 6 percent. The City levy, expressed in mills, is estimated at 31.845 (General Fund and Debt Service Fund). It is based on an assessed valuation of \$2.463 billion.



ECONOMIC INDICATORS

Consumer Price Index	Rate
Reported Change from December 2002 to December 2003¹	
US City average	2.8%
Midwest urban cities	2.7%
Projected Change from December 2002 to December 2003²	
US City average	2.5%
Source: ¹ U.S. Department of Labor ² Congressional Budget Office	

Wichita MSA Selected Economic Indicators	Rate
Projected Percent Change December 2002 to December 2003	
Total employment growth	-2.6%
Manufacturing employment	-11.0%
Other employment	1.3%
Projected annual average change 2004 – 2008	
Total employment	1.0%
Manufacturing employment	0.0%
Source: Wichita State University Center for Economic Development and Business Research (CEDBR)	

City of Wichita Financial Projections Selected Economic Indicators	Rate
Actual growth in 2003 assessed valuation (for the 2004 budget year)	8.8%
Average annual growth in assessed valuation 2005 – 2009	4.0%
Average annual growth in local sales, 2005 – 2009	2.2%
Average annual increase in revenues from rentals and user fees, 2005 – 2009	2.1%
Average annual increase in revenues from licenses and permits, 2005 – 2009	2.0%
Average annual increase in total General Fund expenditures, 2005 – 2009	3.1%
Estimated interest earnings from cash flow and funds balances, 2004	1.5%



POSITION COUNT SUMMARY

COMPARISON OF HEADCOUNT, FULL-TIME AND FULL-TIME EQUIVALENTS (LOCALLY FUNDED)
(Detailed personal service pages are located in Volume II)

FUND	2003 ACTUAL			2004 REVISED			2005 ADOPTED		
Department/ Position Title	Headcount	FT	FTE	Headcount	FT	FTE	Headcount	FT	FTE
GENERAL FUND									
City Council	10	10	10.00	10	10	10.00	11	11	11.00
City Manager	5	5	5.00	5	5	5.00	5	5	5.00
General Government									
Personnel	17	17	17.00	17	17	17.00	17	17	17.00
Clerk's Office	3	2	2.75	3	3	3.00	3	3	3.00
Administrative Services	17	16	16.50	11	11	11.00	12	12	12.00
Arts Center	89	8	30.50	89	9	31.50	89	9	31.50
Total General Government	126	43	66.75	120	40	62.50	121	41	63.50
Department of Finance									
Director's Office	10	10	10.00	11	11	11.00	11	11	11.00
Financial Management									
Accounting	14	14	14.00	14	14	14.00	14	14	14.00
Purchasing	10	10	10.00	10	10	10.00	10	10	10.00
Treasury									
Treasury Office	19	17	18.25	19	17	18.25	19	17	18.25
Debt Management	6	6	6.00	6	6	6.00	6	6	6.00
Community Relations	1	1	1.00	0	0	0.00	0	0	0.00
Total Department of Finance	60	58	59.25	60	58	59.25	60	58	59.25
Law Department	24	23	23.25	24	23	23.25	24	23	23.25
Municipal Court									
Clerk's Office	79	52	55.00	82	55	58.00	83	57	59.50
Probation Office	16	14	16.50	20	18	18.50	19	18	18.25
Total Municipal Court	95	66	71.50	102	73	76.50	102	75	77.75
Fire Department									
Administration/Prevention	23	23	23.00	23	23	23.00	23	23	23.00
Operations	354	354	354.00	374	374	374.00	374	374	374.00
Total Fire Department	377	377	377.00	397	397	397.00	397	397	397.00
Police Department									
Field Services Bureau	508	508	508.00	532	532	532.00	532	532	532.00
Investigations Bureau	161	161	161.00	161	161	161.00	161	161	161.00
Support Services Bureau	154	150	152.00	149	145	147.00	145	141	143.00
Total Police Department	823	819	821.00	842	838	840.00	838	834	836.00
Library	138	87	112.30	138	87	112.30	138	87	112.30
Public Works									
Administration	4	4	4.00	4	4	4.00	4	4	4.00
Natural Resources	2	2	2.00	2	2	2.00	1	1	1.00
Building Services	110	98	104.50	110	98	104.50	111	99	105.50
Engineering	90	84	85.50	91	85	86.50	102	96	97.50
Maintenance									
Traffic Control	25	25	25.00	26	26	26.00	26	26	26.00
Street Maintenance	96	96	96.00	96	96	96.00	101	101	101.00
Street Cleaning	22	22	22.00	22	22	22.00	22	22	22.00
Total Public Works	349	331	339.00	351	333	341.00	367	349	357.00



COMPARISON OF HEADCOUNT, FULL-TIME AND FULL-TIME EQUIVALENTS (LOCALLY FUNDED)

FUND	2003 ACTUAL			2004 REVISED			2005 ADOPTED		
Department/ Position Title	Headcount	FT	FTE	Headcount	FT	FTE	Headcount	FT	FTE
Environmental Health									
Administration	10	10	10.00	10	10	10.00	10	10	10.00
Food Protection and Tobacco Control	7	7	7.00	8	8	8.00	8	8	8.00
Environmental As. & Remed.	4	4	4.00	7	7	7.00	8	8	8.00
Animal Control	22	20	21.00	22	20	21.00	22	20	21.00
Child Care Licensing	2	2	2.00	2	2	2.00	2	2	2.00
Environmental Maintenance	5	5	5.00	5	5	5.00	5	5	5.00
Total Environmental Health	50	48	49.00	54	52	53.00	55	53	54.00
Park Department									
Administration	9	9	9.00	9	9	9.00	9	9	9.00
Maintenance & Forestry	143	138	140.50	143	138	140.50	143	138	140.50
Botanica	4	4	4.00	4	4	4.00	4	4	4.00
Parks and Recreation	28	28	28.00	28	28	28.00	28	28	28.00
Community Facilities									
Century II	20	19	19.50	20	19	19.50	20	19	19.50
Expo Hall	7	7	7.00	7	7	7.00	7	7	7.00
Total Park Department	211	205	208.00	211	205	208.00	211	205	208.00
TOTAL GENERAL FUND	2,268	2,072	2,142	2,314	2,121	2,188	2,329	2,138	2,204
SPECIAL REVENUE FUNDS									
Landfill	2	2	2.00	0	0	0.00	0	0	0.00
Landfill Post Closure	2	2	2.00	2	2	2.00	2	2	2.00
Art Museum	26	19	24.75	26	19	24.75	26	19	24.75
Office of Central Inspection	74	73	74.00	74	73	74.00	73	72	74.00
Trolleys	0	0	2.70	0	0	1.50	0	0	1.50
Economic Development	3	3	3.00	3	3	3.00	3	3	3.00
Property Management Operations	5	5	5.00	4	4	4.00	4	4	4.00
State Office Building	4	3	3.50	4	3	3.50	4	3	3.50
Gilbert & Mosley TIF (District #1)	1	1	1.00	1	1	1.00	1	1	1.00
TOTAL SPECIAL REVENUE FUNDS	117	108	117.95	114	105	113.75	113	104	113.75
ENTERPRISE FUNDS									
Airport									
Administration	12	12	12.00	12	12	12.00	12	12	12.00
Airfield Maintenance	21	17	18.25	21	17	18.25	21	17	18.25
Building Maintenance	15	15	15.00	15	15	15.00	15	15	15.00
Custodial	13	13	13.00	13	13	13.00	14	14	14.00
Engineering	7	7	7.00	7	7	7.00	8	7	7.25
Safety	46	46	46.00	46	46	46.00	46	46	46.00
Total Airport	114	110	111.25	114	110	111.25	116	111	112.50
Golf Course System	86	30	59.00	90	34	63.00	90	34	63.00



COMPARISON OF HEADCOUNT, FULL-TIME AND FULL-TIME EQUIVALENTS (LOCALLY FUNDED)

FUND Department/ Position Title	2003 ACTUAL			2004 REVISED			2005 ADOPTED		
	Headcount	FT	FTE	Headcount	FT	FTE	Headcount	FT	FTE
Transit									
Administration	10	8	9.00	10	8	9.00	10	8	9.00
Bus Operations	73	73	73.00	73	73	73.00	73	73	73.00
Special Services	30	30	30.00	30	30	30.00	30	30	30.00
Total Transit	113	111	112.00	113	111	112.00	113	111	112.00
Water Utility									
Administration	5	5	5.00	5	5	5.00	5	5	5.00
Customer Service	82	52	72.25	81	52	71.75	81	52	71.75
Water Distribution	65	65	65.00	66	66	66.00	66	66	66.00
Production and Pumping	47	47	47.00	49	49	49.00	50	50	50.00
System Planning & Development	12	12	12.00	11	11	11.00	11	11	11.00
Total Water Utility	211	181	201.25	212	183	202.75	213	184	203.75
Sewer Utility									
Sewage Treatment	71	69	70.00	75	73	74.00	75	73	74.00
Sewer Maintenance	82	82	82.00	84	84	84.00	84	84	84.00
Total Sewer Utility	153	151	152.00	159	157	158.00	159	157	158.00
Storm Water Utility	37	37	37.00	37	37	37.00	37	37	37.00
TOTAL ENTERPRISE FUNDS	714	620	672.50	725	632	684.00	728	634	686.25
INTERNAL SERVICE FUNDS									
Information Technology	50	50	50.00	50	50	50.00	52	52	52.00
Fleet	60	60	60.00	60	60	60.00	61	61	61.00
Self-Insurance Fund									
Workers Compensation	1	1	1.00	1	1	1.00	1	1	1.00
Risk Management	2	2	2.00	2	2	2.00	2	2	2.00
Safety Office	2	2	2.00	2	2	2.00	2	2	2.00
Total Self Insurance Fund	5	5	5.00	5	5	5.00	5	5	5.00
Stationery Stores	1	1	1.00	1	1	1.00	1	1	1.00
TOTAL INTERNAL SERVICE FUNDS	116	116	116.00	116	116	116.00	119	119	119.00
TRUST FUND									
Pension Management	5	5	5.00	5	5	5.00	5	5	5.00
TOTAL TRUST FUND	5	5	5.00	5	5	5.00	5	5	5.00
CITY-COUNTY FUNDS									
Flood Control	18	18	18.00	18	18	18.00	18	18	18.00
Metropolitan Area Planning	20	19	19.30	20	19	19.30	20	19	19.30
TOTAL CITY-COUNTY FUNDS	38	37	37.30	38	37	37.30	38	37	37.30
TOTAL LOCALLY FUNDED POSITIONS	3,258	2,958	3,090.80	3,312	3,016	3,143.85	3,332	3,037	3,165.35



POSITION CHANGES SUMMARY

CHANGE IN HEADCOUNT (LOCALLY FUNDED) (Detailed personal service pages are located in Volume II)

FUND Department/ Position Title	2004 REVISED	2005 ADOPTED	2006 APPROVED	COMMENTS
GENERAL FUND				
City Council				
Management Intern	1	0	0	Enhance responsiveness to constituents
Total City Council	1	0	0	
General Government				
Administrative Services				
Management Intern	(1)	0	0	Shift to Finance
Development Assistant Coordinator	0	1	0	Shift from OCI
Arts and Cultural Services				
Clerk II	1	0	0	Converted Clerk II from part time to full time
Total General Government	0	1	0	
Department of Finance				
Director's Office				
Management Intern	1	0	0	Shifted from General Government
Total Department of Finance	1	0	0	
Municipal Court				
Clerk's Office				
Customer Service Clerk I	0	2	0	Increase Court Compliance Unit staffing
Clerk II	2	0	0	Enhance data entry efforts (ticket entry)
Assistant to the Director	1	0	0	Provide additional administrative support
Probation Office				
Service Officer	4	0	0	Absorbed from Local Law Enforcement
Total Municipal Court	7	2	0	Block (LLEB) grant
Fire Department				
Operations				
Firefighter	0	0	7	Enhanced service and coverage
Total Fire Department	0	0	7	
Police Department				
Field Services Bureau				
Police Officer	18	0	0	Added for School Resource Officers (SRO) and absorbed from SRO grant
Support Services Bureau				
Police Captain	1	0	0	Added back position deleted in 2003
Senior Safety Coordinator	1	0	0	Support homeland security planning
Administrative Assistant	(1)	0	0	Deleted vacant in-service training position
Police Officer	(1)	0	0	Deleted school liaison to partially fund Police Captain.
Clerk III	1	0	0	Support Internet accident reports
Clerk II	0	(4)	0	Deleted as a result of automation
Total Police Department	19	(4)	0	
Public Works				
Administration				
Resource Analyst	0	(1)	0	Shift to Environmental Health
Building Services				
Clerk III	0	1	0	Added for Haz-mat/refrigerant reporting requirements by KDHE



CHANGE IN HEADCOUNT (LOCALLY FUNDED)
(Detailed personal service pages are located in Volume II)

FUND Department/ Position Title	2004 REVISED	2005 ADOPTED	2006 APPROVED	COMMENTS
Engineering				
Special Projects Coordinator	1	0	0	Added to manage River Corridor, WaterWalk
Engineer	0	1	0	Additional survey/inspection
Administrative Assistant	0	1	0	Additional survey/inspection
Engineering Technician II	0	1	0	Additional survey/inspection
Engineering Aide III	0	2	0	Additional survey/inspection
Engineering Aide II	0	5	0	Additional survey/inspection
Engineering Aide I	0	1	0	Additional survey/inspection
Maintenance				
Traffic Control Engineering Aide III	1	0	0	Added to maintain the sign and signal database
Street Maintenance Equipment Operator II	0	1	0	New crack sealing crew
Street Maintenance Equipment Operator II	0	4	0	New crack sealing crew
Total Public Works	2	16	0	
Environmental Health				
Administration				
Environmental Compliance Manager	(1)	0	0	Reclassification
Environmental Services Supervisor	1	0	0	Reclassification
Food Protection and Tobacco Control				
Public Health Sanitarian II	1	0	0	Food Inspector
Environmental Assmt. & Remediation				
Public Health Sanitarian I	3	0	0	Absorbed from Local Environmental Protection Program (LEPP) grant
Environmental Maintenance				
Resource Analyst	0	1	0	Shifted from Public Works
Total Environmental Health	4	1	0	
Park Department				
Century II				
Accountant	1	0	0	Century II Box Office
Event Coordinator	2	0	0	Century II Box Office
Total Park Department	3	0	0	
TOTAL GENERAL FUND	37	16	7	
SPECIAL REVENUE FUNDS				
Landfill				
Equipment Operator III	(1)	0	0	Privatized landfill operations
Equipment Operator II	(1)	0	0	Privatized landfill operations
Total Landfill	(2)	0	0	
Office of Central Inspection				
Development Assistant Coordinator	0	(1)	0	Shifted to General Government
Total Office of Central Inspection	0	(1)	0	
TOTAL SPECIAL REVENUE FUNDS	(2)	(1)	0	
ENTERPRISE FUNDS				
Airport				
Custodial				
Custodial Worker II	0	1	0	Additional Federal Aviation Administration (FAA) space, 2nd floor terminal
Total Airport	0	1	0	



CHANGE IN HEADCOUNT (LOCALLY FUNDED)
(Detailed personal service pages are located in Volume II)

FUND	2004	2005	2006	
Department/ Position Title	REVISED	ADOPTED	APPROVED	COMMENTS
Golf Course System				
Assistant Clubhouse Manager	4	0	0	Clubhouse Operations
Total Golf Course System	4	0	0	
Water Utility				
Production and Pumping				
Electrician II	0	1	0	Ozonation
Total Water Utility	0	1	0	
TOTAL ENTERPRISE FUNDS	4	2	0	
INTERNAL SERVICE FUNDS				
Information Technology				
Systems Analyst II	1	0	0	Restore position held vacant in 2003
Systems Analyst II	0	1	0	Network security analyst
Systems Analyst II	0	1	0	CIP development/maintenance analyst
Total Information Technology	1	2	0	
Fleet				
Store Keeper	0	1	0	Added night shift position
Total Fleet	0	1	0	
TOTAL INTERNAL SERVICE FUNDS	1	3	0	
TOTAL LOCALLY FUNDED POSITIONS	40	20	7	



BUDGET LAW

(Kansas Statutes Annotated)

79-1973. Temporary suspension of statutory fund and aggregate levy limitations on taxing subdivisions.

(a) In 1983, all existing statutory fund and aggregate levy limitations on taxing subdivisions are suspended. In such year, any taxing subdivision is authorized either to levy taxes upon tangible property which produces an amount not in excess of the amount which was authorized to be levied by such taxing subdivision in the next preceding year or levy taxes upon tangible property at a rate not exceeding the existing statutory fund or aggregate levy limitation. The tax levy required to produce the amount allowed by the provisions of this subsection shall be the levy limit for 1986, 1987 and 1988 unless such tax levy is less than the existing statutory fund or aggregate levy limitation, in which case such statutory fund or aggregate levy limitation shall apply.

(b) As used in this section, "taxing subdivision" means every taxing district in the state other than the state.

(c) Nothing in this act shall apply to the limitations on aggregate tax levies imposed by the provisions of K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto.

79-2925. Budgets of taxing bodies; application of act; exceptions; definitions.

(a) This act shall apply to all taxing subdivisions or municipalities of the state, except:

- (1) Townships in counties having the county road unit system which have an annual expenditure of less than two hundred dollars;
- (2) Money received by such taxing subdivision or municipality as a gift or bequest;
- (3) Revolving fund set up for the operation of a municipal airport. Any city, board of park commissioners, or other agency designated and authorized to operate a municipal airport is hereby authorized to set up a revolving fund for use as an operating fund, either out of the budget or out of the receipts from the operation of such airport, in an amount as may be reasonable and necessary as an operating fund for the efficient and business-like operation of such airport. The financial transactions of said airport shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Profits arising from the operation of the airport after the payment of all necessary operating expenses and the establishment of the revolving fund shall be applied to reduce the tax levy for the budgeted fund under which the operation of such airport is financed;
- (4) Any special recreation facilities reserve set up by the board of park commissioners in any city for the

repair, replacement, or addition to the recreation facilities of such city. The financial transactions of said recreation facilities shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Profits arising from the coliseum events fund and the coliseum concessions, after the payment of all necessary expenses, and the establishment and maintenance of such special recreation facilities reserve shall be applied to reduce the tax levy for the budget fund under which the operation of such recreation facilities is financed; and

- (5) Any special recreation facilities fund set up by the board of county commissioners for the operation of a county coliseum. The financial transactions of the special recreation facilities fund shall be audited in accordance with the minimum standard audit program prescribed by the director of accounts and reports as other municipal funds. Moneys derived from the operation of a county coliseum and deposited in the special recreation facilities fund shall be applied to reduce the tax levy for the budget fund under which the operation of such county coliseum is financed.

(b) Whenever the term "fund" is used in this act it is intended to have reference to those funds which are authorized by statute to be established. "Fund" is not intended to mean the individual budgeted items of a fund, but is intended to have reference to the total of such individual items.

(c) Whenever the term "director" is used in this act it shall mean the state director of property valuation.

79-2926. Budget forms prescribed; furnished by director of accounts and reports; duties of certain officers.

The director of accounts and reports shall prepare and prescribe forms for the annual budgets of all taxing subdivisions or municipalities of the state. Such forms shall show the information required by this act and by K.S.A. 1973 Supp. 79-4401 *et seq.* [*], necessary and proper to fully disclose complete information as to the financial condition of such taxing subdivision or municipality, and the receipts and expenditures thereof, both past and anticipated. All such budget and tax levy forms shall be printed by the director of printing and in such quantity as required by the director. The director shall deliver the forms for all school districts to the clerk of the board of education of each school district. The forms for all other taxing subdivisions or municipalities of the state shall be delivered by the director to the county clerk of each county, who shall immediately deliver the same to the presiding officer of the governing body of the said respective taxing subdivisions or municipalities within the county.



Whenever in article 29 of chapter 79 of Kansas Statutes Annotated the words state auditor or auditor of state, or words of like effect, occur, the same shall mean director of accounts and reports.

79-2927. Itemized budget; parallel columns showing corresponding items and revenue; non-appropriated balances; balanced budget required. The governing body of each taxing subdivision or municipality shall meet not later than the first day of August of each year, and shall prepare in writing on forms furnished by the director of accounts and reports a budget itemized and classified by funds and showing amounts to be raised by taxation and from other sources for the ensuing budget year. The budget shall show in parallel columns all amounts and items to be expended for the ensuing budget year and the amounts appropriated for corresponding or other items during the current budget year and amounts expended for corresponding or other items during the preceding budget year. The budget for each fund shall not include any item for sundry or miscellaneous purposes in excess of 10% of the total. Except for school districts, municipal universities and community colleges, the budget for each fund may include a non-appropriated balance of not to exceed 5% of the total of each fund.

The budget shall show in parallel columns the amount of revenue actually received from taxation and from other sources, with the amount from each source separately stated for the preceding budget year and the amount actually received and estimated to be received from taxation and from sources other than direct taxation with the amount for each source separately stated for the current budget year and also the amount estimated to be received during the ensuing budget year, with the amount estimated to be received from each source separately stated. The budget of expenditures for each fund shall balance with the budget of revenues for such fund and that portion of the budget of revenues to be derived from ad valorem property taxation shall not exceed the amount of tax which can be raised by any fund limit or aggregate limit placed upon such fund.

79-2929. Proposed budget; amendments; public hearing; notice, publication and contents. Prior to the filing of the adopted budget with the county clerk, the governing body of each taxing or political subdivision or municipality shall meet for the purpose of answering and hearing objections of taxpayers relating to the proposed budget and for the purpose of considering amendments to such proposed budget. The governing body shall give at least 10 days' notice of the time and place of the meeting by publication in a weekly or daily newspaper of the county having a general circulation therein. Such notice shall include the proposed budget and shall set out all essential items in the budget except such groupings as designated by the director of accounts and reports on a special publication form prescribed by the director of accounts and reports and furnished with the regular budget form. The notice of a governing body of any taxing subdivision or municipality

having an annual expenditure of \$500 or less shall specify the time and place of the meeting required by this section but shall not be required to include the proposed budget of such taxing subdivision or municipality.

79-2930. Submission of adopted budgets and additional information pertaining thereto to county clerk; duties of county clerk; limitation on taxes levied, exception.

(a) Two copies of the budget certificate giving the amount of ad valorem tax to be levied and the total amount of the adopted budget of expenditures by fund, along with itemized budget forms for each and every fund and proof of publication of the notice of budget hearing containing the budget summary shall be presented to the county clerk within the time prescribed by K.S.A. 79-1801 as amended. Where action has been taken under any statute to increase the amount of tax to be levied authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect.

(b) The county clerk shall make any reductions to the ad valorem tax to be levied, compute the tax levy rates based on the final equalized assessed valuation, and enter such on the budget certificate before attesting the budget. A copy of all budgets for taxing subdivisions of the county, properly attested, shall be filed with the director of accounts and reports, along with a copy of the tax levy rate summary required of the county treasurer by K.S.A. 79-2002, and amendments thereto.

(c) Each fund of the adopted budget certified to the county clerk in no event shall exceed the amount of ad valorem tax to be levied and the proposed expenditures of such fund in the proposed budget as originally published. The governing body of each taxing subdivision shall not certify an amount of ad valorem taxes to be levied that is in excess of any tax levy rate or amount limitations or any aggregate tax levy limitations. The governing bodies, in fixing the amount may take into consideration and make allowance for the taxes which may not be paid, such allowance, however, shall not exceed by more than 5% the percentage of delinquency for the preceding tax year.

79-2933. Time for budget hearing; adoption; validity of levies. The hearing herein required to be held upon all budgets by all taxing subdivisions or municipalities of the state shall be held not less than ten (10) days prior to the date on which they shall certify their annual levies to the county clerk as required by law. After such hearing the budget shall be adopted or amended and adopted as amended, but no levy shall be made until and unless a budget is prepared, published and filed, but no levy of taxes shall be invalidated because of any insufficiency, informality, or delay in preparing, publishing and filing said budget.



79-2934. Funds appropriated by budget; balances; duties of clerks and officers; distribution of tax proceeds. The budget as approved and filed with the county clerk for each year shall constitute and shall hereafter be declared to be an appropriation for each fund, and the appropriation thus made shall not be used for any other purpose. No money in any fund shall be used to pay for any indebtedness created in excess of the total amount of the adopted budget of expenditures for such fund. Any balance remaining in such fund at the end of the current budget year shall be carried forward to the credit of the fund for the ensuing budget year. The clerk or secretary of each taxing subdivision or municipality shall open and keep an account of each fund, showing the total amount appropriated for each fund, and shall charge such appropriation with the amount of any indebtedness created at the time such indebtedness is incurred. If any indebtedness is reimbursed during the current budget year and the reimbursement is in excess of the amount which was shown as reimbursed expense in the budget of revenues for the current budget year, the charge made shall be reduced by the amount of the reimbursement.

No part of any fund shall be diverted to any other fund, whether before or after the distribution of taxes by the county treasurer, except as provided by law. The county treasurer shall distribute the proceeds of the taxes levied by each taxing subdivision in the manner provided by K.S.A. 12-1678a, and amendments thereto.

79-2935. Creation of indebtedness in excess of budget unlawful; exceptions. It shall be unlawful for the governing body of any taxing subdivision or municipality in any budget year to create an indebtedness in any manner or in any fund after the total indebtedness created against such fund shall equal the total amount of the adopted budget of expenditures for such fund for that budget year. Any indebtedness incurred by the governing body or any officer or officers of such taxing subdivision or municipality in excess of said amount shall be void as against such taxing subdivision or municipality: *Provided*, That indebtedness may be created in excess of the total amount of the adopted budget of expenditures for the current budget year only when payment has been authorized by a vote of the municipality, or when provision has been made for payment by the issuance of bonds, or when provision has been made for payment by the issuance of warrants authorized by the commission in accordance with the provisions of K.S.A. 79-2938, 79-2939 and 79-2940.

79-2936. Removal from office for violation. Any member of the governing body, or any other officer of any taxing subdivision or municipality of the state, who violates any of the provisions of this act shall be subject to removal from office.



CASH BASIS LAW

(Kansas Statutes Annotated)

10-1101. Definitions. The following words, terms and phrases, when used in this act, shall have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(a) "Municipality" means any county, township, city, municipal university, school district, community college, drainage district and any other taxing district or political subdivision of the state which is supported with tax funds.

(b) "Governing body" means the governing body of a municipality.

(c) "Person" means any person, partnership, association or corporation.

(d) "Claim" means any claim arising on contract express or implied, or a claim determined by final judgment, but shall not include claims arising from alleged tort or negligence on the part of the municipality.

10-1102. Cash basis for municipalities. All municipalities are required to pay or refinance their valid indebtedness as in this act provided, in the manner and at the times herein set forth, and to contract no indebtedness after May 1, 1933, except as herein provided. It is hereby declared that the purpose of this act is to provide for the funding and payment of all legal debts and obligations except present bonded indebtedness of all municipalities and for the future conduct of the financial affairs of such municipality upon a cash basis.

10-1112. Issuance of warrants and other evidences of indebtedness unlawful. Unless otherwise provided in this act, it shall be unlawful after May 1, 1933, for the governing body of any municipality to create any indebtedness in excess of the amount of funds actually on hand in the treasury of such municipality at the time for such purpose, or to authorize the issuance of any order, warrant, or check, or other evidence of such indebtedness of such municipality in excess of the funds actually on hand in the treasury of such municipality at the time for such purpose.

10-1113. Creating indebtedness in excess of funds unlawful; exceptions. Unless otherwise provided in this act, it shall be unlawful after May 1, 1933, for any member of any governing body of any municipality to knowingly vote for or in any manner aid or promote the passage or adoption of any order, motion, ordinance, resolution, legislation or other act of said governing body, creating an indebtedness in excess of the amount of funds actually on hand in the treasury of such municipality at the time for such purpose, or to knowingly vote for the drawing of any order, warrant or check, or other evidence of such indebtedness on the treasury of said municipality, in payment of any such indebtedness, in excess

of the amount of funds actually on hand in the treasury at the time for such purpose. School districts and community junior colleges, may, however, issue cancelable purchase orders for school supplies and equipment, school buses, books purchased in conjunction with textbook rental programs and data processing equipment in advance of the budget year during which moneys will become available to pay for such purposes, but contracts for the purchase of such school supplies and equipment, books, buses and data processing equipment cannot be entered into except during the budget year in which moneys will become available for such purchases and risk of loss and title thereto shall not pass to the school district or community junior college prior to entering into such contracts. Issuance of such a cancelable purchase order shall not constitute an indebtedness within the meaning of K.S.A. 79-2935.

10-1114. Clerks not to issue or sign orders. Unless otherwise provided in this act, it shall be unlawful after May 1, 1933, for the clerk or secretary of any governing body of any municipality to knowingly issue, attest, sign or countersign any order, warrant, check or other evidence of indebtedness, on the treasury of the municipality, in payment of any indebtedness of such municipality created by the governing body of such municipality in excess of the amount of funds actually on hand in the treasury of such municipality at the time for such purpose.

10-1115. Treasurers not to pay orders. Unless otherwise provided in this act, it shall be unlawful after May 1, 1933, for the treasurer of any municipality to knowingly pay any order, warrant, check or other evidence of indebtedness out of the treasury of such municipality in excess of the amount of funds actually on hand in the treasury at the time for such purpose.

10-1116. Limits of indebtedness may be exceeded, when; creating indebtedness in violation of act unlawful.

(a) The limits of indebtedness prescribed under the provisions of article 11 of chapter 10 of Kansas Statutes Annotated may be exceeded when:

- (1) Payment has been authorized by a vote of the electors of the municipality;
- (2) Provision has been made for payment by the issuance of bonds or temporary notes as provided by law;
- (3) Provision has been made for payment by the issuance of no-fund warrants authorized by law and in the manner, and limited in amount as prescribed by law;
- (4) Provision has been made for a revolving fund for the operation of any municipal airport financed and sustained partially or wholly by fees, rentals, proceeds from the sale of merchandise or charges



for rendering services, received from the users of such airport; or

- (5) Provision has been made for payment pursuant to a service agreement entered into pursuant to K.S.A. 12-5503.

(b) Notwithstanding any other limits of indebtedness prescribed under the provisions of article 11 of chapter 10 of Kansas Statutes Annotated, the following funds shall have as a limit of indebtedness an amount equal to 100% of the accrued revenue of the current fiscal year plus any balances carried forward, cash reserves, intergovernmental grants, and sums advanced to qualify for intergovernmental grants:

- (1) Special recreation facilities reserve funds set up by any board of park commissioners or any municipality for a revolving fund for the repair, replacement or addition to recreational facilities;

- (2) Enterprise funds set up in any municipality to account for the financing of self-supporting activities of governmental units which render services on a user charge basis to the general public, such as municipal utilities engaged in the provision of water, electricity and natural gas and sanitary sewer systems which are financed by user charges; or

- (3) Intra-governmental service funds or working capital funds established in any municipality to finance and account for services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit such as funds established for central garages and motor pools, central printing and duplicating services and central purchasing and stores departments.

The board of education of any school district, the board of regents of any municipal university or the board of trustees of any community college may enter into contracts for teachers and other necessary employees and for continuing operating expenses in excess of the amount of funds actually on hand for that purpose. The limit of indebtedness provided by this section shall never exceed 100% of the amount actually expended for school purposes for the last preceding fiscal year during which school was conducted.

(c) It shall be unlawful for any member of the governing body of any municipality, as defined in K.S.A. 10-1101, and amendments thereto, to knowingly vote for or in any manner aid or promote the entering into of any contract or the creation of any other indebtedness in violation of the provisions of this section.

10-1116a. Exemptions from cash basis law; municipal utilities; issuance of no-fund warrants; drought emergencies. The provisions of this act shall not apply to expenditures in excess of current revenues made for municipally owned and operated utilities out of the fund of such utilities caused by, or resulting from the meeting of, extraordinary emergencies including drought emergencies. In

such cases expenditures in excess of current revenues may be made by declaring an extraordinary emergency by resolution adopted by the governing body and such resolution shall be published at least once in a newspaper of general circulation in such city. Thereupon, such governing body may issue interest bearing no-fund warrants on such utility fund in an amount, including outstanding previously issued no-fund warrants, not to exceed 25% of the revenues from sales of service of such utility for the preceding year. Such warrants shall be redeemed within three years from date of issuance and shall bear interest at a rate of not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. Upon the declaration of a drought emergency, the governing body may issue such warrants for water system improvement purposes in an amount not to exceed 50% of the revenue received from the sale of water for the preceding year. Such warrants shall be redeemed within five years from the date of issuance and shall bear interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto.

10-1116b. Lease, lease-purchase or installment-purchase agreements; agreements for electric interconnection or transmission facilities; when allowed under cash-basis law. Nothing in the provisions of K.S.A. 10-1101 *et seq.*, and amendments thereto, shall prohibit a municipality from entering into (1) an agreement to pay for electric interconnection or transmission facilities or services, (2) a lease agreement, without an option to buy, or (3) a lease-purchase agreement, if any of such agreements specifically state that the municipality is obligated only to pay periodic payments or monthly installments under the agreement as may lawfully be made from (a) funds budgeted and appropriated for that purpose during such municipality's current budget year or (b) funds made available from any lawfully operated revenue producing source. For the purpose of this act, a lease-purchase agreement shall include a lease with an option to buy or an installment-purchase agreement.

10-1116c. Lease-purchase agreements; conditions; protest petition and election, when. Any lease-purchase agreement entered into pursuant to this act shall be subject to the following conditions:

- (a) If the proposed agreement is for a term exceeding the current fiscal year of the municipality, it shall be approved by a majority vote of all members of the governing body.

- (b) If the proposed agreement involves the acquisition of land or buildings by a municipality other than a county, school district or community college, is for a term of three or more years, and provides for payments in any year in excess of 3% of the total amount budgeted by the municipality for expenditure during the current year, excluding debt service, a notice thereof specifying the purpose and the total of all payments shall be published once each week for two consecutive weeks in a newspaper of general circulation within such municipality. If, within 30 days following the last



publication of such notice, a petition in opposition to the agreement signed by not less than 5% of the qualified voters of such municipality is filed with the appropriate county election officer, no such agreement shall take effect unless and until the same is approved by a majority of the qualified voters of such municipality voting at an election thereon. Any such election shall be called and held in accordance with the provisions of K.S.A. 10-120, and amendments thereto, or in accordance with the provisions of the mail ballot election act.

(c) If the municipality is a county, school district or community college and the proposed agreement involves the acquisition of land or buildings, is for a term exceeding the current fiscal year of the municipality, and provides for annual payments which in the aggregate exceed \$100,000, the governing body of such municipality first shall adopt a resolution stating its intent to enter into such lease-purchase agreement. The resolution shall specify the total of all payments to be made pursuant to the agreement and the purpose for which such agreement is to be entered into. The resolution shall be published once each week for two consecutive weeks in a newspaper of general circulation within the municipality. If a protest petition signed by not less than 5% of the qualified voters of the municipality, as determined by the vote for secretary of state at the last general election, is filed with the appropriate county election officer within 30 days following the last publication of the resolution, no such agreement shall take effect unless approved by a majority of the qualified voters of the municipality voting at an election thereon. Any such election shall be called and held in the manner provided by K.S.A. 10-120, and amendments thereto, or in accordance with the provisions of the mail ballot election act. If no such protest petition is filed within the time limitation contained herein, the governing body of the municipality may enter into such agreement. If an election is held pursuant to a protest petition and a majority vote is cast in favor of the proposition, the governing body of the municipality shall have authority to enter into such agreement.

(d) If the proposed agreement is for a term exceeding the current fiscal year of the municipality, the agreement shall specify the following:

- (1) The amount or capital cost required to purchase the item if paid for by cash,
- (2) The annual average effective interest cost, and
- (3) The amount included in the payments for service, maintenance, insurance or other charges exclusive of the capital cost and interest cost.

10-1117. Clerk or secretary; record of moneys; contracts and indebtedness of municipality; records of orders, warrant checks; exhibition of records upon request; notice. The clerk or secretary of every municipality shall keep a record of the amount of money in the treasury and each particular fund and shall keep a record of all indebtedness and

contracts creating a liability against the municipality. In such records there shall be shown the date of the making of the contract or the creation of the debt, the amount of the contract or debt, the time payable, and the particular fund from which payment is to be made. Such clerk or secretary shall also keep a record of each order, warrant check or check, drawn on the treasury and paid, giving the date of payment. Such clerk or secretary shall, upon the request of any person, exhibit such records to such person and any person contracting with the municipality shall be chargeable with knowledge of what such records contain.

10-1118. Treasurer; record of moneys on hand and in each fund; exhibition of record or statement in writing. The treasurer of every municipality shall keep a record of the amount of money on hand in the treasury, which record shall show at all times the amount of money in each particular fund. Such treasurer shall, upon the request of any person, exhibit such record to such person or give such person a statement in writing, showing the balances on hand in each of the funds of the municipality.

10-1119. Void contracts and orders. Any contract entered into between the governing body of any municipality and any person, which violates the provisions of this act, shall be void, and any order, warrant, check or other evidence of indebtedness drawn on the treasurer of any municipality in violation of the provisions of this act shall be void.

10-1120. Excess tax levying not basis of protest. The levying of a tax by any municipality which raises more money than is used or needed for the tax year shall not be the basis of a protest by any taxpayer and all such protests shall be of no force or effect.

10-1121. Penalties for violations. Any member of any governing body of any municipality or any clerk or secretary or treasurer of any governing body of any such municipality who shall knowingly violate any of the provisions of this act shall be guilty of malfeasance in office and shall, by such violation, be subject to be removed from office and in addition any member of such governing body or clerk or secretary or treasurer of such municipality who shall violate any of the provisions of this act, or neglect or refuse to perform any duty herein imposed, shall be deemed guilty of a misdemeanor, and upon conviction thereof in a court of competent jurisdiction shall be subject to a fine of not less than \$10 nor more than \$1,000.

10-1122. Invalidity of part. Should the courts declare any section, clause or provision of this act unconstitutional, the decision shall affect only the section, clause or provision so declared to be unconstitutional, and shall not affect any other section, clause or provision of this act.



DEBT LIMIT LAW

(Kansas Statutes Annotated)

10-308. Cities; limitations. (a) Except as provided in this section and K.S.A. 10-309, and amendments thereto, and in any other statute which specifically exempts bonds from the statutory limitations on bonded indebtedness, the limitation on bonded indebtedness of cities shall be governed by this section. The authorized and outstanding bonded indebtedness of any city shall not exceed 30% of the assessed valuation of the city.

(b) The authorized and outstanding bonded indebtedness of Olathe shall not exceed 35% of the assessed valuation of the city. The provisions of this subsection shall expire on June 30, 1990.

(c) For the purpose of this section, assessed valuation means the value of all taxable tangible property as certified to the county clerk on the preceding August 25 which includes the assessed valuation of motor vehicles as provided by K.S.A. 10-310, and amendments thereto.

10-309. Limitation on bonded indebtedness of cities; exceptions. Notwithstanding the provisions of K.S.A. 10-308 and amendments thereto: (a) Bonds issued by any city for the purpose of acquiring, enlarging, extending or improving any storm or sanitary sewer system; or

(b) Bonds issued by any city for the purpose of acquiring, enlarging, extending or improving any municipal utility; or

(c) Bonds issued by any city to pay the cost of improvements to intersections of streets and alleys or that portion of any street immediately in front of city or school district property, shall not be included in computing the total bonded indebtedness of the city for the purposes of determining the limitations on bonded indebtedness provided in K.S.A. 10-308 and amendments thereto.

10-310. Computation of valuation for bonded indebtedness limitation purposes. The county clerk shall add (1) the taxable value of each motor vehicle, as shown on the application for registration for the previous year or as otherwise established in the manner prescribed by K.S.A. 79-5105, and amendments thereto, and (2) the taxable value of motor vehicles established in the manner prescribed by K.S.A. 79-1022, and amendments thereto, to the equalized assessed tangible valuation on the tax roll of each taxing subdivision in which such motor vehicle has acquired tax situs. The resulting total shall constitute the equalized assessed tangible valuation of the taxing subdivision for the computation of limitations upon bonded indebtedness and for all other purposes except the levying of taxes and the computation of limitations thereon.

10-311. Revenue bonds and municipality, defined; revenue bonds excluded from computation of bonded indebtedness. (a) "Revenue bonds" mean bonds issued by any municipality to be paid from the revenue derived from the operation of a publicly owned utility, instrumentality or facility of

a revenue producing character, or which are not general obligations of the issuing municipality.

(b) "Municipality" means any city, county, municipal or quasi-municipal corporation or other political subdivision of the state authorized to issue revenue bonds.

(c) Revenue bonds issued by a municipality shall not be included in computing the total bonded indebtedness of such municipality for the purpose of determining the limitations on bonded indebtedness of such municipality.

10-427a. Same; conditions and limitations; proceeds, disposition and investment. (a) Refunding bonds issued under the authority of K.S.A. 10-427, and amendments thereto, may be sold or exchanged for the bonds being refunded either as a whole or in installments at any time either at, before or after the maturity of the bonds being refunded. Such bonds shall be exempt from statutory limitations of bonded indebtedness and shall not be included in computing the total bonded indebtedness of the municipality for the purpose of applying any statute limiting the bonded indebtedness of the municipality.

(b) If refunding bonds are sold more than six months prior to the maturity or earliest prior redemption date of the bonds being refunded, the proceeds derived from the sale, together with any other moneys on hand, shall be placed in escrow under a trust agreement with a Kansas bank having full trust powers. The proceeds and moneys shall be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America or municipal obligations which are secured by direct obligations of the United States of America, and which shall mature or be subject to redemption by the holders thereof not later than the respective dates when the proceeds of the obligations together with the interest accruing thereon and any other moneys or investments held in escrow will be required for the purposes intended. The trust agreement shall pledge or assign the moneys and investments held in trust for the payment of the principal of the bonds being refunded and may pledge or assign the moneys and investments held in trust for the payment of the interest on the bonds being refunded and any redemption premium thereon. The trust agreement may pledge or assign any of the obligations or other moneys or investments, or interest accruing thereon, held in trust, which are in excess of the amount of the obligations and other moneys and investments held which is equal to the amount of the principal of the bonds to be refunded which comes due on the date for which the bonds may have been called for redemption or irrevocable instructions to call bonds for redemption have been given and any redemption premium thereon, for the payment of the principal of and interest on any or all of the refunding bonds and any redemption premium there on, and shall contain provisions for protecting and enforcing the rights and remedies of the holders of the bonds.



FINANCIAL POLICIES AND GUIDELINES

A. Financial Policies and Guidelines (Revised March 1994)

The City of Wichita's financial policies set forth the basic framework for the overall fiscal management of the City. Operating independently of changing circumstances and conditions, the policies assist the decision-making process of the City Council and the management. The financial policies provide guidelines for evaluating both current activities and proposals for future programs.

Most policies represent long-standing principles, traditions, and practices that guide the City and help to maintain its financial stability. They should be reviewed annually.

Operating Budget Policies

1. The City attempts to maintain its present service level for all priority and essential services within existing tax rates, as adjusted for normal growth in the tax base. No new services are added without offsetting expenditure reductions or increases in tax revenues. A phase-in increase to the mill levy to restore the debt service levy to the 1992 level was completed in 1995. Loss of assessed value through the November 1992 classification amendment to the State Constitution required a one-time only mill levy increase (1993 taxes for the 1994 budget).
2. The City maintains a financial and budgetary control system to ensure adherence to the budget and an awareness of the financial environment, preparing quarterly reports to compare actual revenues and expenditures to budgeted amounts, analyzing operating surplus or deficit conditions, and balance sheets on all City funds.
3. The City integrates performance measurement and productivity indicators with the budget.
4. The City attempts to avoid layoffs in all actions to balance the budget. Any personnel reductions are scheduled to come primarily from attrition.
5. The City emphasizes efforts to reduce major cost centers.
6. Airport, Golf, Sewer, Water, and Storm Water enterprise funds are self-supporting.
7. Privatization, volunteerism, incentive programs, public/private partnerships and other alternatives are used whenever possible to provide services.
8. The City endeavors to mitigate subsidies for the Transit system.
9. Charges for internal services are set at the lowest possible level to maintain essential programs.

Revenue Policies

The City directs efforts to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source.

1. The City attempts to obtain additional major revenue sources as a way of insuring a balanced budget.
2. The City follows an aggressive revenue collection policy.
3. The City establishes all user charges and fees at a level related to the full cost (operating, direct, indirect, and capital) of providing the service.
4. The City reviews fees/charges annually and designs and modifies revenue systems to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing the service. The City considers market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees, and charges.

Investment Policies

1. Disbursement, collection, and deposit of all funds are managed to insure maximum cash availability.
2. The City strives to maximize the return on investments consistent with the primary goal of preserving capital in accordance with the City's ordinance and prudent investment practices.

Debt Policies

1. The City confines long-term borrowing primarily to capital improvements.
2. In anticipation of bonding, the City uses short-term debt.
3. The City follows a policy of full disclosure on every financial report and bond prospectus.
4. Revenue bonds are issued when practical for City enterprises to reduce the amount of the City's general obligation debt.
5. The City maintains an aggressive retirement of existing debt over 10 years for city-at-large debt and 15 years for special assessment debt.
6. The City uses general obligation debt to fund general purpose public improvements which cannot be financed from current revenues.
7. The City uses special assessment general obligation debt to fund special benefit district improvements consistent with existing policies.

Reserve Policies

1. The City maintains a revenue reserve to pay for expenses caused by unforeseen emergencies or for shortfalls caused by revenue declines. This reserve is established at no less than 5 percent and no greater than 10 percent of annual revenues.
2. The City maintains a contingency expenditure account to provide for unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs.



3. Reserves in excess of these amounts in the General Fund shall be used for one-time only expenditures.
4. The City maintains a debt service fund reserve at year-end equivalent to 5 percent of annual revenues of the debt service fund. Any amount in excess of this reserve will be used to reduce capital project fund general purpose expenditures.
5. Adequate levels of working capital shall be maintained in all proprietary funds.

Accounting, Auditing, and Financial Reporting Policies

1. An independent audit is performed annually and completed not later than June 1 of each year.
2. The City produces annual and monthly financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).

B. Capital Improvement Program Guidelines (March 1994)

The Capital Improvement Program (CIP) guides new construction and improvements to the City's infrastructure and facilities, ranging from road expansion to repairs on publicly owned buildings to acquisition of new water sources.

The CIP requires a sound operating budget and a solid financial base to allow for debt or cash financing of capital projects. A well prepared operating budget can also assist in raising or maintaining the bond rating of the City. A higher bond rating means that the City pays a lower interest rate for the bonds sold to finance capital projects.

The annual budget process takes into account requirements of funding infrastructure, maintenance, and related operational costs. Since the CIP is primarily funded from property taxes, mill levy changes in the annual operating budget can mean changes in resources available for capital projects.

Revenue Sources and Projections

Development of the CIP has two phases. The first phase is revenue projections. Like revenue projections for the operating budget, trends are studied, and performance assumptions are generated. From these assumptions, expenditure estimates are developed. Since the CIP is a ten-year plan, revenue projections must be made further into the future than those required for the operating budget.

Existing debt service obligations are considered when estimating the additional amount of debt that can be assumed under the City's policy. After the new debt for proposed projects is calculated and all revenue sources are identified, projects are prioritized and funds are allocated for the ten year planning period. The revenues and debt service expenditures for that part of the CIP financed from property and sales taxes are managed through the Debt Service Fund. Components of revenue funding the CIP are:

1. The mill levy is projected at 10 mills for the ten year CIP period.
2. Sales tax revenue for freeway and road construction is managed through the Sales Tax Trust Fund until the funds are transferred to projects or to the Debt Service Fund to pay debt service on sales tax general obligation bonds.
3. Special assessments made against properties fund portions of the CIP.
4. Motor vehicle taxes collected by Sedgwick County on all motor vehicles not subject to property or ad valorem taxes are a CIP revenue source.
5. Interest earnings on the fund balance and current revenues contribute to CIP revenue.
6. Transfers from other funds, such as the Tourism and Convention Fund for Expo Hall, Lawrence-Dumont Stadium and parking facilities, and from Tax Increment Financing Funds for economic development projects are considered in revenue estimating.
7. Other proceeds considered when developing the CIP are from the sale of City owned property.

Other parts of CIP financing are budgeted as debt service in proprietary funds.

Project Review

The second phase of developing the CIP involves the project request. Each project request is sent to major corporations, community organizations, District Advisory Boards, and other groups that would be impacted. Any interested party may submit a project for consideration by City engineers and the CIP Administrative Committee.

The CIP Administrative Committee, through a series of meetings, develops the project plan for the term of the program. Projects are studied and ranked according to criteria set forth by the Committee.

Projects proposed for the CIP are reviewed, evaluated, and recommended under the following guidelines:

1. General revenue-supported debt: Maintain a Capital Improvement Program within the debt limitations established by state law, and within a maximum local mill levy debt service established by the City Council.
2. Capital improvement projects must meet the established useful life criteria to be financed: (a) public buildings, 40 year general life, 10 year financing; (b) new road construction, 40 year general life, 10 year financing; (c) major road and bridge rehabilitation, 15 year general life, 10 year financing; (d) water, sanitary sewers, and drainage, 40 year general life, 20 year financing; (e) miscellaneous items, based on asset life, 10 year financing; and (f) local sales tax projects, 10 and 15 year financing with double barreled bonds.
3. Utility Revenue Bonds are utilized when necessary and feasible to finance Public Improvements using a 20-year amortization to minimize the impact of annual revenue requirements (sue fees).



4. Maintenance of the highway and street system to provide safe and effective vehicular access and efficient urban traffic flow emphasizing the following: (a) Expedite the plans (in cooperation with Sedgwick County) for constructing and financing US-54, maximizing state and federal funds supplemented by local sales tax; (b) Concentrate efforts on selected cross-town arterials and intersections to improve traffic movement, safety and reduce congestion; (c) Include features in new projects which will reduce future maintenance requirements (i.e., delineation of crosswalks, low-maintenance medial treatment, etc.); (d) Complete railroad crossing improvements on arterials; and (e) Provide good streets and roadways to serve City facilities (i.e., Art Museum, Cowtown, Expo Hall, Airport, etc.).
5. Provide improvements in the downtown area.
6. Continuation of Neighborhood Improvement Program in conjunction with code enforcement.
7. Emphasize projects in problem areas without regard to the percentage of the total CIP funds available. Under no circumstances will all projects be selected from one area of the City.
8. Develop a balanced capital maintenance program for all types of City assets.
9. Include beautification and landscape improvements in projects, especially on arterials and highways, public facilities, etc.
10. Insure an adequate water supply for existing neighborhoods and for the planned growth and development of the City.

Hearings and Adoption of the CIP

Upon completion of the Administrative Committee's plan, the committee's recommendations are forwarded to the City Manager and then to the City Council. Hearings are held before the Metropolitan Area Planning commission and the District Advisory Boards. Like the operating budget, the City Council hears public comments on the CIP prior to adoption. The City Council may shift, add, or delete projects in the proposed CIP.

Implementation

After the CIP is adopted by the City Council, departments use the CIP as a guide for implementing capital improvements. Initiation of each project must be authorized individually by the City Council through the adoption of an ordinance or resolution.

Budgeting for Ongoing Operating Costs of CIP Projects

As a general practice, the proposed 10-year CIP is developed and revised in a process that parallels development of the City's two-year budget. Departments provide estimated ongoing costs associated with CIP projects so all costs can be considered in the evaluation process. When a project is completed, the operating costs are included in the department's operating budget.



ACCOUNTING POLICY

Reporting Entity. For financial reporting purposes the City includes financial information for the appointive boards and commissions that are controlled by or dependent on the City. Control or dependence is determined on the basis of oversight responsibility, budget adoption, taxing authority, funding and appointment of respective governing boards. The boards and commissions which are appointed by the elected City officials, accountable for fiscal matters related thereto and for which the City provides accounting services include: Art Museum, Wichita Airport Advisory Board, Library Board, Board of Park Commissioners Advisory Board, Metropolitan Transit Advisory Board, and the Board of Housing Commissioners.

The financial activities of these boards and commissions are reflected in the special revenue, capital project, enterprise and expendable trust funds as appropriate.

Basis of Accounting. The accrual basis of accounting is used for all funds except the governmental fund types, expendable trust funds and agency funds which use the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

1. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Revenues received prior to their normal time of receipt are recorded as deferred revenues.
2. Disbursements for the purchases of capital assets providing future benefits are treated as expenditures and are accounted for in the general fixed assets account group. Appropriations for capital projects are carried forward until such time as the project is completed or terminated.
3. Interest on general long-term debt is not accrued but is recorded as an expenditure on its due date.

Budgetary Control. Applicable Kansas statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Specific funds exempted from legally adopted budgets are all federal and state assistance funds, all capital project funds, the Transit Fund, the Airport Fund, the Golf Course System Fund and all trust and agency funds. Controls over spending in funds that are not subject to legal budgets are maintained by the use of internal spending limits established by management. For budgeting, revenues are recognized when they become both measurable and available to finance expenditures of the current period except for special assessments of the bond and interest fund, which are recognized on the cash basis.

Kansas statutes require the use of an encumbrance system as a management control technique to assist in controlling expenditures. Encumbrances of the budgeted governmental fund types, represented by purchase orders, contracts and other commitments, are reported as a charge to the current year budget. For budget purposes, unencumbered cash balances are determined by deducting liabilities and encumbrances from cash and receivables susceptible to accrual.

The statutes provide for the following sequence and timetable in adoption of budgets:

Preparation of budget for the following calendar year begins on or before August 1 of each year.

1. Publication of proposed budget on or before August 5 of each year.
2. A minimum of ten days notice of public hearing, published in local newspaper, on or before August 15 of each year.
3. Adoption of final budget on or before August 25 of each year.

Kansas statutes permit transferring budgeted amounts from one object of purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. All unencumbered appropriations lapse at the end of the year, except for capital project funds which are carried forward until such time as the project is completed or terminated. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held and the governing body may amend the budget at that time.

Additional information regarding funds and budgetary accounting policies may be found in the City of Wichita's Comprehensive Annual Financial Report prepared by the City Controller's Office.



DESCRIPTION OF FUNDS

The accounts of the City are organized on the basis of funds and groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are grouped by type in the financial statements. The types of funds maintained by the City are as follows:

Governmental Funds

General Fund. The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund expenditures, are financed through revenues received by the General Fund.

Special Revenue Funds. These funds are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are designated to finance particular functions or activities of the City. The City maintains a separate special revenue fund for each federal or state grant program.

Debt Service Fund. The bond and interest fund is used to account for the payment of principal and interest on the City's general obligation bonds that are recorded in the general long-term debts group of accounts. Revenues for this purpose include ad valorem property taxes, special assessment taxes, investment interest income and City Hall parking lot revenues.

Capital Project Funds. The capital project funds account for capital improvements (except for those financed by proprietary funds) which are financed from the City's general obligation bond issues, special assessments, certain federal grants and other specific receipts.

Proprietary Funds

Enterprise Funds. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), federal grants and other City funds.

Internal Service Funds. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies for the City and other governmental units, on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds. Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units and other funds. These include expendable and pension trust funds and agency funds.

Account Groups

General Fixed Assets Account Group. This group of accounts is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds.

General Long-Term Debt Account Group. This group of accounts is established to account for all long-term debt of the City, except that accounted for in the proprietary funds. Under the statutes of the State of Kansas, debt issued to finance special assessment projects constitutes a general obligation of the City. Therefore, this debt is recorded in the general long-term debt account group and is serviced through the Debt Service Fund. The City does not issue special assessment bonds.



DESCRIPTION OF REVENUE SOURCES

Administrative charges. Reimbursements to the General Fund for the indirect costs incurred against General Fund budgets for the indirect support of departments and operations funded outside the central administrative divisions (administrative procedure).

Ad valorem property taxes. Taxes levied against the assessed valuation of taxable real and personal intangible property in the County. The tax rate is expressed in “mills” per \$1 of the assessed valuation of the property, and is equal to \$1 per \$1,000 of assessed valuation. Currently, Kansas Statutes set the assessment of property as follows:

- residential, 11.5 percent;
- land used for agricultural purposes, 30 percent;
- vacant lots, 12 percent;
- real property used by non-profit organization, 12 percent;
- public utility, 33 percent;
- commercial, 25 percent,
- all other, 30 percent.

Alcoholic liquor tax. A tax on gross receipts from the sale of liquor at retail. (K.S.A., Ch. 79, Art. 41)

Charges for current services and sales. Revenue derived from all charges required for current services and sales such as the recording of legal instruments, the sale of certificates, examination fees, the sale of department division manuals, street cut repairs, and safety charges and sales, nursing fees, and other health charges and sales. (K.S.A., Ch. 12, Art. 7, Ch. 13, Arts. 9 and 14, Ch. 28, Art. 1, Ch. 65, Arts. 24, 708 and 737a; Code of the City of Wichita, Chapters 1.04.070, 2.08, 2.21, 2.24, 6.04, 7.12, 10.20.050, 11.68, 19.08.030, 21.04.040, 22.04.220, and 28.04.210)

Dealer’s stamp tax. Taxes paid on new and used automobiles by dealers in lieu of ad valorem taxation on automobile dealers’ vehicle inventory. (K.S.A., Ch. 79, Art. 10)

Delinquent tangible property tax. Ad valorem property taxes collected from previous tax years. (K.S.A., Ch. 79, Art. 2004 and 2004a)

Federal and State grants and contributions. Revenue received from the federal and state governments for assistance in programs such as low cost housing, youth programs, health-related programs, or other federal and state-supported projects (administrative agreement).

Fines and penalties. Revenue derived from Municipal Court fines, forfeits, and penalties. (K.S.A., Ch. 13, Art. 617; Code of the City of Wichita, Title 4, Intoxicating Liquor; Title 5, Public Safety Morals; Title 11, Traffic)

Franchise fees. An annual fee paid for by People’s Gas Co., Westar, Southwestern Bell, Cox Communications, the Wichita Water and Sewer utilities and the Storm Water Utility, for the privilege of doing business in the municipality. (K.S.A., Ch. 12, Art. 20, Code of the City of Wichita Franchises)

Gasoline tax. A tax on the use, sale, or delivery of all motorvehicle fuels used, sold, or delivered in this state for any purpose whatsoever. Taxation rates are set by a formula established by the Director of Taxation. (K.S.A., Ch. 79, Arts. 3408 and 3425)

Interest earnings. Revenue derived from the proper management of the City’s assets, through investment of public funds being held until expended or distributed to other units of government. (Code of the City of Wichita, Section 2.18.030; administrative procedure)

Intergovernmental revenue. Revenue derived from payments to the municipality by other public governments. (K.S.A., Chapters 12, 68, and 79; administrative agreements)

Licenses. Revenue derived from the issuance of a legal permission by the City of Wichita, which authorizes a person to operate a business or occupation in the municipality. The regulation is based on the police power of protecting the public safety, health, and general welfare. (Code of the City of Wichita, Titles 34, 7,10,16,1819, 2122, 2426 and Chapters 3.02 and 3.04)

Local sales tax. A one percent (1%) tax approved by the voters in July 1985, levied on gross retail sales in Sedgwick County in addition to 5.3 percent tax levied by the state of Kansas. (K.S.A., Ch. 12, Art. 1)

Motor vehicle tax. A tax collected by Sedgwick County on all motor vehicles that are not subject to property or ad valorem taxes, such as passenger cars, pickup trucks, and motorcycles. (K.S.A., Ch. 79, Art. 51)

Payment in lieu of taxes. Revenue derived from the issuance of a legal permission by the City of Wichita authorizing certain work to be performed on a particular project. (Code of the City of Wichita, Chapters 10.08, 10.12, 10.24, 10.20, 14, 16.04, 16.08, 17.08, 18.04, 18.04.065, 18.08, 18.12, 18.24, 18.28, 19.08, 21.04, 22.04, 22.08, 24.04, 26.04, 26.04.100., and Uniform Building Code)

Rental income. Revenue derived from the rental of City facilities such as City Hall Cafeteria and Parking Garage, Century II Concert Hall, Omnisphere, Lawrence-Dumont Stadium, Expo Hall, and Building Services. (K.S.A., Ch. 12, Art. 21 and 631c; Code of the City of Wichita, Chapters 2.21, 7.08, 9.20, 16.04, 15.15, 17.12; Charter Ordinance No. 13, Code of the City of Wichita; administrative procedure)



Special assessments. Charges which the local government makes to pay for a specific service or project such as streets, sewers, curbs, and gutters that benefit a particular piece of real estate. These charges are assessed on the basis of the square footage of the lot, against the value of the lot, or on the basis of both lot square footage and value. (K.S.A., Ch. 13, Art. 0; Code of the City of Wichita, Ch. 2.24)

Transient guest tax. A six percent (6%) tax upon the gross receipts paid by guests in any hotel, motel, or tourist courts located in the incorporated territory of the City of Wichita. (K.S.A., Ch. 12, Arts. 1693 and 1694; and, Charter Ordinance No. 184. Code of the City of Wichita)

User fees. Revenue derived from payments made by the general public for the purpose of utilizing goods and services, such as entry fees, Park Department charges, class registrations, tenant rental and concessions. (Code of the City of Wichita, Title 9)



GLOSSARY

—A—

Administrative Charge. Payments to the General Fund for indirect costs incurred against General Fund budgets.

Adopted Budget. A financial plan presented, reviewed and approved by the governing body for the upcoming or current fiscal year.

Ad Valorem Tax. A tax levied on the assessed value of both real and personal property in proportion to the value of the property (commonly referred to as “property tax”).

Alcoholic Liquor Tax. A tax on gross receipts from the sale of liquor at retail.

Allocation. Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities or other logical measures of use.

Annual Budget. A financial plan that consists of policy and funding priorities, as well as a presentation of the economic outlook for a given fiscal year.

Appraised Value. Market dollar value given to real estate, utilities, and personal property; established through notification, hearing and appeals and certification process.

Appropriation. An authority and allocation created by City Council that permits the officials to incur obligations against, and to make expenditures of, governmental resources (revenues).

Assessed Value. Appraised value of property adjusted downward by a classification factor, to determine the basis for distributing the tax burden to property owners.

Asset. Resources that have monetary value and are owned or held by a government.

Attrition. A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Audit. A review of the City’s accounts by an independent accounting firm to substantiate year-end fund balances, reserves, and cash on hand.

Authorized Positions. Employee positions, which are authorized in the adopted budget, to be filled during the year.

—B—

Balanced Budget. Management of the financial plan with the objective of ensuring that expenditures don’t exceed revenues.

Base Budget. Cost of continuing the existing levels of service in the current budget year.

Bingo Tax. A three percent (3%) tax on gross revenues incurred by bingo parlors to be used for the purpose of enforcement and regulation.

Bond. A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The City sells bonds as a means of borrowing revenue for costly projects and repays the debt to the lender over an extended period of time, similar to the manner in which a homeowner repays a mortgage. A bond differs from a note in two ways. A bond is issued for a longer period of time than a note and requires greater legal formality. Bonds are primarily used to finance capital projects.

Budget. Financial plan consisting of estimated revenues and expenditures (purposes) for specified time. The operating budget provides for direct services and support functions of the City (e.g.; Police, Fire, Public Works, etc.). The capital budget (Capital Improvement Program) provides for improvements to the City’s infrastructure and facilities, and utilizes long-term financing instruments (See *Adopted Budget, Annual Budget, Balanced Budget, Base Budget, Capital Budget, City Budget, Municipal Budget, Operating Budget, Revised Budget*).

Budget Amendment. Legal means by which an adopted expenditure authorization or limit is increased and could be authorized with a publication, a hearing or a re-certification of the budget.

Budgetary Basis. This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar. The schedule of key dates which a government follows in the preparation and adoption of the budget (*for more information, see pages 11 and 14 of this volume*).

Budget Message. A general policy discussion of the budget as presented in writing by the budget-making authority to the



City Council. The message outlines the budget plan and main points of interest. The City's budget message is presented as the City Manager's letter in the proposed and adopted budget documents.

—C—

Capital Budget. A financial plan for the first fiscal year of the ten-year Capital Improvement Program, which is also the fiscal year covered in the Adopted Budget.

Capital Improvement Program (CIP). A ten-year expenditure plan financing new infrastructure and facilities, or improvements to the existing infrastructure and facilities. Set forth in the CIP is the name of each project, the expected beginning and ending date, the amount to be expended in each year and the proposed method of financing the projects. (See page 153 of this volume or page 275 of Volume 2).

Capital Improvements. Any significant physical acquisition, construction, replacement, or improvement to a City service delivery system.

Capital Outlay. An item of non-expendable nature with a value greater than \$1,500 and with an anticipated life of more than one year under normal use.

Carry-Over. Appropriated funds that remain unspent at the end of a fiscal year and are allowed to be retained in the appropriating budget and expended in subsequent fiscal years for the purpose designated.

Cash Basis. A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Charges for Current Services and Sales. Revenue derived from all charges required for current services and sales such as the recording of legal instruments, the sale of certificates, examination fees, the sale of department division manuals, street cut repairs, and safety charges and sales, nursing fees and other health charges and sales.

City. A large municipality governed under a charter granted by the state.

City Budget. A financial plan for the allocation of government resources and services within the Municipal area (see also *Municipal Budget*).

City Council. The legislative (governing) body of the City.

City Manager. An official employed by an elected council to direct the administration of a city government on a day-to-day basis.

City of the First Class. (See *First Class City*)

Collective Bargaining Agreement. A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

Commodity. An expendable item used by operating activities. Examples include office supplies, repair and replacement parts for equipment, toilet supplies and gasoline and oil.

Consumer Price Index (CPI). A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency. A budgetary reserve amount established for emergencies or unforeseen expenditures not otherwise known at the time the budget is adopted.

Contractual Services. A cost related to a legal agreement. Examples include insurance premiums, utility costs, printing services and temporary employees (hired through a private firm).

Council – Manager Government. A system of local government that combines political leadership of elected officials in the form of a governing body, with the strong managerial experience of an appointed local government manager. This form of government is the fastest growing in the United States.

Council Member. Elected official who represents the interests of the citizens of a specified district within the City. A Council Member serves a four-year term, and cannot serve more than two consecutive terms.

—D—

Dealers' Stamp Tax. Taxes paid on new and used automobiles by dealers in lieu of ad valorem taxation on automobile dealers vehicle inventory.

Debt Service. Principal and interest requirements on outstanding debt according to a predetermined payment schedule (For additional information, see page 147 of this volume or page 273 of Volume 2).

Deficit. An excess of current-year expenditures over current-year resources.



Delinquent Tangible Property Tax. Ad valorem property taxes collected from previous tax years.

Department. The basic unit of service responsibility, encompassing a broad mission of related activities.

Depreciation. Expiration in the service life of capital assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Disbursement. The expenditure of monies from an account.

Distinguished Budget Presentation Awards Program. A voluntary awards program administered by the Government Finance Officers Association (GFOA) to encourage governments to prepare effective budget documents.

Division. A sub-unit of a department that encompasses a substantial portion of the duties assigned to a department. May consist of several sections, which in turn may consist of clearly defined activities.

—E—

Economic Development. The process of attracting new businesses by use of incentives or innovative financing methods.

Employee (or Fringe) Benefits. Contributions made by a government to meet commitments or obligations for employees beyond base pay. The government's share of costs for Social Security and the various pension, medical and life insurance plans is included.

Encumbrance. Obligations in the form of purchase orders or contracts which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances are eliminated when paid or when an actual liability is established (*See also Prior Year Encumbrance*).

Enterprise Fund. Used for government functions that are self-supporting. Enterprise funds belong to the group of funds called "proprietary" and account for operations that provide services to the community at large.

Entitlements. Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Expenditure. Actual outlay of funds. Expenditures are budgeted by function: personal services (salaries and benefits), contractual services, commodities (materials and supplies), capital outlay, and other (including transfers out, debt service, contingencies and inventory clearing accounts).

Expense. Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

—F—

Federal and State Grants and Contributions. Revenue received from the federal and state governments under an administrative agreement to provide financial assistance for programs such as low-cost housing, youth programs, health-related programs, or other federal and state-supported projects (*see Grants; for additional information see page 165 of this volume or page 279 of Volume 2*).

Financing. Furnishing with the necessary funds to operate or conduct a program or business. Funds can be raised internally, borrowed, or received from a grant.

Fines and Penalties. Revenue derived primarily from Municipal Court fines, forfeits, and penalties.

First Class City. A city which gains its powers from State Statutes.

Fiscal policy. A government's policies with respect to revenues, spending and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming, or government budgets and their funding.

Fiscal Year. The 12-month budget period. The fiscal year for the City of Wichita is the January through December calendar year.

Fixed Assets. Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment. Capital assets are also called fixed assets.

Fixed costs. Those costs that vary little relative to service levels provided.

Franchise Fee. An annual assessment paid by utilities for the privilege of doing business in Wichita. The current rate is five percent of a utility's gross receipts.

Full-Time Equivalent Position (FTE). A position converted to the decimal equivalent based on 2,080 hours per year. For example, a summer lifeguard working 8 hours per day for four months, or 690 hours, would be equivalent to .3 of a full-time position.

Fund. Accounting entity with accounts for recording revenues and expenditures to carry on specific purposes.



Fund Balance. The total dollars remaining after current expenditures for operations and debt service for capital improvements are subtracted from the sum of the beginning fund balance and current resources. The City Council policy goal is to maintain a total appropriated and unappropriated fund balance/reserve between five to ten percent of the General Fund expenditure budget. State law allows a maximum of 5 percent of certified budgets/funds to be unappropriated.

—G—

GAAP. Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GFOA. Governmental Finance Officers Association. The professional association of state/provincial and local finance officers in the United States and Canada, serving the public finance profession since 1906, with over 15,500 GFOA members dedicated to the sound management of government financial resources.

Gasoline Tax. A tax on the use, sale, or delivery of all motor-vehicle fuels used, sold, or delivered in this state for any purpose whatsoever. Taxation rates are set by a formula established by the Director of Taxation.

General Fund. The City's principal operating account, which is supported primarily by taxes and fees having no restriction on their use.

Goal. A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governing Body. Consists of one Mayor and six Council Members, each representing a district within the City.

Governmental Funds. An accounting entity used to account for operations that rely mostly on current assets and current liabilities. Governmental funds include the General Fund, special revenue funds, and the Debt Service Fund.

Grants. Funding obtained from an outside source (Federal, State, local and foundation) in support of the City's strategic goals and objectives. Use of grant funding must be consistent with the goals of the entity providing the funding (*See also Federal and State Grants and Contributions; for more detailed information, see page 165 of this volume or page 279 of volume 2*).

—I—

Infrastructure. The physical assets or foundation of the City, including buildings, parks, streets and water and sewer systems.

Interest Earnings. Revenue derived from the proper management of the City's assets, through investment of public funds being held until expended or distributed to other units of government. Revenue derived from the proper management of the City's assets, through investment of public funds being held until expended or distributed to other units of government.

Intergovernmental Revenue. Revenue received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Fund. An accounting entity used to account for operations that provide services to City departments at cost. Like enterprise funds, internal service funds belong to the "proprietary" group of funds.

—K—

Kansas Statutes Annotated (KSA). All laws enacted by the Legislature. These Statutes are published by the Kansas Revisor of Statutes after the closing of the regular session.

—L—

Laws. A binding custom or practice of a community: a rule of conduct or action prescribed or formally recognized as binding or enforced by a controlling authority.

Licenses. Revenue derived from the issuance of a legal permission by the City of Wichita, which authorizes a person to operate a business or occupation in the municipality.

Line Item. The smallest expenditure detail in department budgets. The line item also is referred to as an "object," with numerical "object codes" used to identify expenditures in the accounting system. Within the accounting system, "objects" are further divided into "sub-groups."

Local Sales Tax. A one percent (1%) tax approved by the voters in July 1985, levied on gross retail sales in Sedgwick County in addition to the four and nine-tenths percent (4.9%) tax levied by the state of Kansas.

Longevity. Employee compensation payments made in recognition of a minimum number of years employed full time with the same entity. Longevity payments are two dollars per month multiplied by the total accumulative years of service, payable after six years in employment.



—M—

Mayor. Elected official who acts as the chief executive officer of the City. The Mayor presides over business that is brought before the City Council.

Mill. The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation (*For additional information, see Mill Levy Facts on page 169 of this volume*).

Motor Vehicle Tax. A tax collected by Sedgwick County on all motor vehicles that are not subject to property or ad valorem taxes, such as passenger cars, pick-up trucks and motorcycles.

Municipal Budget. A financial plan for the allocation of government resources and services within the City (see also City Budget).

Municipality. A primarily urban political unit having corporate status and usually powers of self-government

—O—

Operating Budget. A budget that applies to all outlays other than capital improvements. This refers more to the day-to-day operations of the City.

Operating Expenses. The cost of personnel, materials and equipment required for a department to function.

Operating Revenue. Funds that the government receives as income to pay for ongoing operation. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Output Indicator. A unit of work accomplished, without reference to the resources required to do the work (e.g., number of permits issued, number of burglary arrests made, etc.). Output indicators do not reflect the effectiveness or efficiency of the work performed.

—P—

Payment in Lieu of Taxes. Revenue derived from the issuance of a legal permission by the City of Wichita authorizing certain work to be performed on a particular project.

Performance Indicators. Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measures. A means, usually quantitative, of assessing the efficiency and effectiveness of department work programs. These measures are listed within the various department pages in this volume.

Personal Services. All costs related to compensating employees, including employee benefit costs such as the City's contribution for retirement, social security, and health and life insurance.

Prior-Year Encumbrances. Obligations from previous fiscal years in the form of purchase orders or contracts which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program. A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Proposed Budget. A schedule of revenues and expenditures submitted by various municipal departments or divisions to be reviewed and considered for the upcoming fiscal year.

Proprietary Funds. Accounting entities to account for operations similar to a private enterprise with a balance sheet that incorporates long-term debt obligations, assets and liabilities, and depreciation. Enterprise funds and internal service funds are "proprietary" funds.

—R—

Rental Income. Revenue derived from the rental of City facilities such as City Hall Cafeteria and Parking Garage, Century II Concert Hall, Lawrence-Dumont Stadium, Expo Hall, park facilities and the like.

Reserve. A portion of fund equity legally restricted for a specific purpose or not available for appropriation and subsequent spending. It is normally set aside of funds for emergencies or unforeseen expenditures not otherwise budgeted.

Resources. Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Retained Earnings. Reserved and unreserved assets (recorded in proprietary fund operations), held for future operating needs and equipment replacement.

Revenue. Taxes, user fees, and other sources of income received into the City treasury for public use.



Revised Budget. A schedule of revenues and expenditures during the current fiscal year which includes items not included in the Adopted Budget.

—S—

Service Level. Services or products which compromise actual or expected output of a given program. Focus is on results, not measures of workload.

Special Assessment. A compulsory levy made upon a properties to defray part or all of the costs of a specific improvement that primarily benefits that specific property.

Special Revenue Fund. An accounting entity to record revenue that is legally destined for a specific purpose and the expenditure of the dedicated revenue.

—T—

Taxes. Compulsory assessments levied by a government for the purpose of financing services performed for the common benefit of the citizens. Taxes do not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments (*See Ad Valorem taxes, Alcoholic Liquor Tax, Bingo Tax, Dealers' Stamp Tax, Delinquent Tangible Property Tax, Gasoline Tax, Local Sales Tax, Motor Vehicle Tax, Tax Lid, Transient Guest Tax*).

Tax Increment Financing. Use of taxes collected within a specifically designated area for repayment of tax increment debt and major infrastructure expenditures.

Tax Lid. Law limiting amount of property tax that can be levied for a specific government function. Also known as aggregate tax levy limitation.

Tort. A wrongful act or damage involving a breach of legal duty for which a civil action can be brought.

Transient Guest Tax. A six percent (6%) tax upon the gross receipts paid by guests in any hotel, motel, or tourist courts located in the incorporated territory of the City of Wichita.

Trust Fund. Used when the City is custodian of money to be reserved and spent for a special purpose.

—U—

Unencumbered Balance. The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance. The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees. Revenue derived from payments made by the general public for the purpose of utilizing goods and services, such as entry fees, Park Department charges, class registrations, tenant rental and concessions.

—V—

Variable Costs. Costs that can change substantially due to conditions such as weather or demand and affect the amount of work that can be performed.

